

2025 Condominium Inspections and the Condo Rider

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2025 Condominium Inspections and the Condo Rider

Why are we here?

- On June 24, 2021, Champlain Towers South, a 12-story beachfront condominium in the Miami suburb of Surfside, partially collapsed.
- Investigations of the cause are ongoing, but the Florida Legislature focused on potential issues with the structural integrity of condo buildings and association reserves to address maintenance.
- In special session May 2022, the Legislature passed the first in a series of condominium reform bills; more bills are expected.



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How do revisions to the Condo Rider (CR-7_A) address this?

- Section 718.503(2)(e), Florida Statutes, requires a seller/owner to disclose to a potential buyer: 1) whether each of these reports are required, and if they are, 2) whether the association has completed them.
- If these reports have been completed, new disclosure language gives a potential buyer the opportunity to cancel the contract, just like the disclosure related to other condo documents required by section 718.503(2)(d).



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Before we get to the new-ish reports...

6. BUYER'S REQUEST FOR DOCUMENTS:

Seller shall, at Seller's expense, provide Buyer with current copies of the condominium documents specified in Paragraph 5 above, as well as the governance form described in Section 718.503(2)(b). Buyer (**CHECK ONE**): requests does not request (if left blank, then "requests") a current copy of the documents specified in Paragraph 5 above along with the governance form. If this Contract does not close, Buyer shall immediately return the documents to Seller or reimburse Seller for the cost of the documents, if any.



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Who is responsible for these reports?

- Milestone Inspection: the owners and association of a residential condominium, and any owner of a portion of the building that is not owned by the condominium
- Structural Integrity Reserve Study: the association
- Turnover Inspection Report: a developer turning over control to the association



Milestone Inspection (MI)

What is a Milestone Inspection?

- A Milestone Inspection is a structural inspection of an aging building used to determine if substantial structural deterioration exists.
- An MI consists of a visual assessment of the building's structure to determine if deterioration is present, and, if so, testing to confirm whether the building is structurally sound.
- Definition: §553.899(2)(a), Florida Statutes.



Milestone Inspection (MI)

What type of building is required to have an MI?

- A residential building **three** or more stories in height -
- 30 years of age and every 10 years thereafter, *or*
- 25 years of age and every 10 years thereafter **if** a local enforcement agency has determined that local circumstances require the initial MI be performed earlier
- The age of a building is determined by the date the certificate of occupancy was issued.



Milestone Inspection (MI)

When must an MI be completed on a building over 30 (or 25) years of age?

- All buildings that reached 30 years of age prior to July 1, 2022, were required to have an MI performed by **December 31, 2024**. If a building reached 30 years of age between July 1, 2022, and December 31, 2024, the building's initial MI must be performed before **December 31, 2025**.
- A local enforcement agency can **extend** the date of the initial MI if the owner(s) of the building can show they have contracted with a professional to perform the MI, and the MI could not reasonably be completed before the deadline, or circumstances justify an extension.



Milestone Inspection (MI)

Selections on paragraph 10(a) Condo Rider, addendum A:

- (a) MILESTONE INSPECTION: The Association (check only one option):
- (i) is required to and has completed a milestone inspection report as described in Section 553.899, F.S. (SEE PARAGRAPH 10(d) BELOW FOR VOIDABILITY RIGHTS); or
 - (ii) **IS NOT REQUIRED TO HAVE COMPLETED A MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, F.S.; or**
 - (iii) **IS REQUIRED TO HAVE COMPLETED A MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, F.S. BUT HAS NOT COMPLETED SUCH INSPECTION.**



Structural Integrity Reserve Study (SIRS)

What is a Structural Integrity Reserve Study?

- A reserve study is a budget planning tool that looks at the parts of a building a condominium association is required to maintain, the status of the existing reserve fund, and the amount of funding needed for anticipated expenses. **SIRS** is a type of reserve study used to ensure condo owners are reserving the funds needed for future major repairs and replacement of specific structural elements on the condominium property.
- Definitions: §§ 718.103(28), 718.112(2)(g), Florida Statutes.



Structural Integrity Reserve Study (SIRS)

Who needs a SIRS?

- Residential condominium associations are required to complete a SIRS **at least every 10 years** after the condominium's creation for each **building** three stories or higher.
- As of July 1, 2024, within 45 days of the SIRS being completed, condo associations must provide written notice to unit owners and DBPR that the SIRS is complete and available to review and copy.



Structural Integrity Reserve Study (SIRS)

Selections on paragraph 10(c) Condo Rider, addendum A:

- (c) STRUCTURAL INTEGRITY RESERVE STUDY: The Association (check only one option):
- (i) is required to and has completed a structural integrity reserve study as described in Sections 718.103(28) and 718.112(2)(g), F.S. (SEE PARAGRAPH 10(d) BELOW FOR VOIDABILITY RIGHTS); or
 - (ii) IS NOT REQUIRED TO HAVE COMPLETED A STRUCTURAL INTEGRITY RESERVE STUDY AS DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), F.S.; or

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(SEE CONTINUATION)

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A. CONDOMINIUM RIDER (CONTINUED)

- (iii) IS REQUIRED TO HAVE COMPLETED A STRUCTURAL INTEGRITY RESERVE STUDY AS DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), F.S. BUT HAS NOT COMPLETED SUCH STUDY.

Turnover Inspection Report (TIR)

What is a Turnover Inspection Report?

- A Turnover Inspection Report is prepared by the developer, included in the official records, and consists of a SIRS and an additional report attesting to required maintenance, condition, useful life, and replacement costs of multiple categories of condominium property.
- Definitions: §§ 718.301(4)(p),(q), Florida Statutes.



Turnover Inspection Report (TIR)

Who needs a TIR?

- The developer is required to complete a TIR for any condominium where the developer turns over control to the condo association on or after **July 1, 2023**.
- Section 718.112(2)(g)5. states the developer must create a TIR for each building on the condominium property three stories or higher.
- **HOWEVER**, sections 718.301(4)(p)&(q) say the TIR must be completed “Notwithstanding ... the height of the building.”



Turnover Inspection Report (TIR)

Selections on paragraph 10(b) Condo Rider, addendum A:

(b) TURNOVER INSPECTION REPORT: The Association (check only one option):

- (i) is required to and has completed a turnover inspection report for a turnover inspection performed on or after July 1, 2023, as described in Section 718.301(4)(p) and (q), F.S. (SEE PARAGRAPH 10(d) BELOW FOR VOIDABILITY RIGHTS); or
- (ii) **IS NOT REQUIRED TO HAVE COMPLETED A TURNOVER INSPECTION REPORT FOR A TURNOVER INSPECTION PERFORMED ON OR AFTER JULY 1, 2023, AS DESCRIBED IN SECTION 718.301(4)(p) AND (q), F.S.** (this option should be selected if the Association was turned over prior to July 1, 2023); or
- (iii) **IS REQUIRED TO HAVE COMPLETED A TURNOVER INSPECTION REPORT FOR A TURNOVER INSPECTION PERFORMED ON OR AFTER JULY 1, 2023, AS DESCRIBED IN SECTION 718.301(4)(p) AND (q), F.S. BUT HAS NOT COMPLETED SUCH REPORT.**



Report Disclosure

Selections on paragraph 10(d) Condo Rider, addendum A:

- (d) **CHECK ONLY ONE BOX BELOW IF** the Association has completed a milestone inspection (Paragraph 10(a)(i), above, is checked), or a turnover inspection report (Paragraph 10(b)(i), above, is checked), or a structural integrity reserve study (Paragraph 10(c)(i), above, is checked):



Report Disclosure

Selections on paragraph 10(d) Condo Rider, addendum A:

(ii) THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER AND RECEIPT BY BUYER OF A CURRENT COPY OF THE INSPECTOR-PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, FLORIDA STATUTES, IF APPLICABLE; A COPY OF THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION 718.301(4)(p) AND (q), FLORIDA STATUTES, IF APPLICABLE; AND A COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), FLORIDA STATUTES, IF APPLICABLE. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 3 DAYS, EXCLUDING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, AFTER THE BUYER RECEIVES A CURRENT COPY OF THE INSPECTOR-PREPARED SUMMARY OF THE MILESTONE INSPECTION REPORT AS DESCRIBED IN SECTION 553.899, FLORIDA STATUTES; A COPY OF THE TURNOVER INSPECTION REPORT DESCRIBED IN SECTION 718.301(4)(p) AND (q), FLORIDA STATUTES; OR A COPY OF THE ASSOCIATION'S MOST RECENT STRUCTURAL INTEGRITY RESERVE STUDY DESCRIBED IN SECTIONS 718.103(28) AND 718.112(2)(g), FLORIDA STATUTES, IF REQUESTED IN WRITING. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

Report Disclosure

§ 718.503(2)(d), Florida Statutes:

A contract that does not conform to the requirements of this paragraph is voidable at the option of the purchaser prior to closing.



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Florida Realtors Receipt of Condominium/Coop Documents (RCD-7)

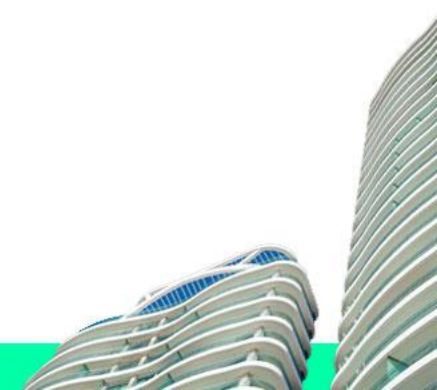
Receipt of Condominium / Cooperative Documents



(Check which ever apply)

Condominium Documents: Buyer acknowledges receiving a current copy of the declaration of condominium, articles of incorporation, bylaws, and rules of the association, and a copy of the most recent annual financial statement and annual budget, and the frequently asked questions and answers document if so requested in writing, all of which relate to: _____
_____, a condominium, on
[insert name of condominium]
_____.
[insert date received]

Condominium Governance Form: Buyer acknowledges receiving a copy of the governance form provided by the Division of Condominiums, Timeshares and Mobile Homes of the Department of Business and Professional Regulation, summarizing the governance of condominium associations, on
_____.
[insert date received]



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Florida Realtors Receipt of Condominium/Coop Documents (RCD-7)

Inspector-Prepared Summary of Milestone Inspection: Buyer acknowledges receipt of the inspector-prepared summary of the milestone inspection report, which relates to:

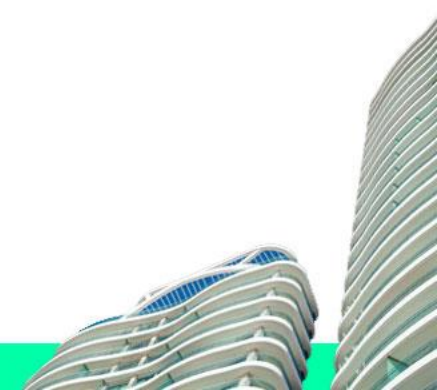
_____, a condominium,
[insert name of condominium]

_____, a cooperative,
[insert name of cooperative]

on _____.
[insert date received]

Structural Integrity Reserve Study (SIRS): Buyer acknowledges receiving a copy of the most recent SIRS or a statement that the association has not completed a SIRS on _____.
[insert date received]

Buyer: _____ Date: _____
Buyer: _____ Date: _____



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DBPR website describing reports:

<https://condos.myfloridalicense.com/inspections/>

DBPR database of self-reported completed SIRS:

<https://dbpr-publicrecords.myfloridalicense.com/qpr/single/?appid=14f1ed21-7b21-4272-af14-9eaad7911440&sheet=mcprvJW&opt=ctxmenu&select=clearall>

